

Appendix I

WAC 296-17-31004 Coverage requirements

WAC 296-17-31013 Building construction

WAC 296-17-31004

Coverage requirements.

(1) I own a business. Am I required to have workers' compensation insurance coverage for my employees? Nearly every employer doing business in the state of Washington is required to have workers' compensation insurance for his/her employees. Washington law (RCW 51.12.020) does exempt certain types of employment from coverage. A copy of this law can be found in **Appendix A** of the workers' compensation manual. If you employ only individuals who are excluded from mandatory workers' compensation insurance coverage, you are not required to have workers' compensation insurance coverage.

(2) I hire contractors to perform work for me. Do I need to be concerned about premiums on their work? Yes. There are two ways you may be liable for premiums on the work they do.

First, they may be "workers" for whom you are required to report and pay premiums. The law defines worker to include both your employees and independent contractors you hire, when the essence of the contract is personal labor. See RCW 51.08.070, 51.08.180 and 51.08.195 for more guidance about when independent contractors will be considered workers.

Second, the Industrial Insurance Act imposes premium liability on anyone who contracts with another to have work performed. Even if the contractor you hire is not your worker (for example, if the contractor uses one or more workers on the job), you could be liable for their premiums if they fail to pay.

(3) Is there any way for me to protect myself from being held liable for premiums owed by construction contractors I hire? Yes, if you are a registered construction contractor or licensed electrical contractor, and you hire a registered construction contractor or a licensed electrical contractor to do construction work that requires

licensing or registration, you can protect yourself from being found liable for the premiums on the work that contractor does for you if:

(a) They have a principal place of business eligible for IRS deduction;

(b) They keep books and records that reflect all items of income and all expenses of the business; and

(c) You have verified that they have an industrial insurance account in good standing, or are a self-insured employer approved by the department.

(4) What does "in good standing" mean? For someone's account to be in good standing, they must:

(a) Be registered with the department of Labor & Industries for industrial insurance coverage with the state fund;

(b) Have a certificate of coverage, also known as a liability certificate, that has not been revoked or canceled;

(c) Have submitted all reports and supplements required by the department within the past year; and

(d) Be current with all payments due to the state fund, or are current with an approved written payment agreement with the department regarding all unpaid amounts due the state fund.

(5) How do I know that someone's account is considered to be "in good standing"? You can find out whether someone's account is in good standing by visiting the department's Web site or calling your account manager. If the account is in good standing, we will give you a confirmation number you can keep as proof that you verified their status.

(6) I use the same subcontractors over and over. Do I have to verify that they have an industrial insurance account in good standing every time I use them? No. In RCW 51.12.070 protection for construction contractors only requires that you have confirmed a subcontractor's account within a year prior to letting a contract. When you check out your subcontractors on the department's Web site

or by calling your account manager, a confirmation number will be provided as proof you checked them out. This confirmation number is valid for one year from the time it is issued.

If you are notified by the department of Labor & Industries that a subcontractor's account is no longer in good standing, you may be liable for their industrial insurance premiums from the date of notification forward.

(7) Can I, as a construction contractor, be held liable if I verify that the accounts of construction contractors I hire are in good standing, but they fail to confirm the accounts of the construction subcontractors they hire? No. If you make sure you and your construction subcontractors meet the requirements of RCW 51.12.070, you cannot be held liable if they fail to make sure their construction subcontractors meet the requirements.

WAC 296-17-31013 Building construction. [Sections 10 through 14 are not included here. Their content is addressed elsewhere in this guide.]

(1) Does this same classification approach apply to building and construction contractors?

Yes, but it may not appear that way without further explanation. We classify contractors by phase and type of construction since it is common for each contract to vary in scope.

Example: A contractor who builds and remodels private residences may frame the structure and work on no other phases of the project. On another job the same contractor may do only the interior finish carpentry. On still another job the contractor may install a wood deck or build a garden arbor. Each of these carpentry activities is covered by a different classification code. To ensure that contractor businesses receive the same treatment as other businesses, we assign classifications according to the phases and types of construction they contract to perform. Since some contractors specialize in one area of construction, such as plumbing, roofing, insulation, or electrical services, this classification approach mirrors that of nonbuilding

*contractor businesses. The policy of assigning several basic classifications to contractors engaged in multiple phases of construction may seem to be in conflict with the classification approach used for nonbuilding contractor businesses, but we have simply used the **multiple business** classification approach.*

If we have assigned multiple classifications to your construction business you should take special care in maintaining the records required in the auditing and recordkeeping section of this manual. If we discover that you have failed to keep the required records we will assign all worker hours for which the records were not maintained to the highest rated classification applicable to the work that was performed.

(2) Who does this rule apply to?

If you are a building, construction or erection contractor and we have assigned one or more of the following classifications to your business, this rule applies to you: 0101, 0103, 0104, 0105, 0107, 0108, 0112, 0201, 0202, 0210, 0212, 0214, 0217, 0219, 0301, 0302, 0303, 0306, 0307, 0403, 0502, 0504, 0507, 0508, 0509, 0510, 0511, 0512, 0513, 0514, 0516, 0517, 0518, 0519, 0521, 0540, 0541, 0550, 0551, 0601, 0602, 0603, 0607, 0608, and 0701.

(3) Can I have a single classification assigned to my business to cover a specific construction project?

Yes, to simplify recordkeeping and reporting requirements we will assign a single classification to cover an entire project.

(4) How do I request the single classification for one of my construction projects?

You should send your request to the attention of your policy manager at the address below:

Department of Labor & Industries
P.O. Box 44144
Olympia, Washington 98504-4144

(5) If I have asked for a single classification on one of my construction projects, how do you determine which classification will apply?

You must supply us with a description of the project and a break down of the total number of hours of exposure by phase of construction that you are responsible for.

Example: You notify us that your company will be responsible for all plumbing and iron erection work on a commercial building site. You have requested a single classification for this project. In your request you tell us that you estimate that it will take one thousand work hours to perform all the plumbing work and five hundred work hours to do the steel erection work.

With this information we will estimate the premiums by classification.

Example: We determine that the plumbing work is covered under classification 0306 and the steel erection work is covered under classification 0518. Assume that classification 0306 has an hourly premium rate of \$1.50 and classification 0518 has an hourly premium rate of \$2.55. We estimate the total premium on this job to be \$2,775 (1,000 hours x \$1.50 = \$1,500 + 500 hours x \$2.55 = \$1,275).

Our next step in this process is to develop an average hourly rate for the project. We will use this information to select the single classification which will apply to this project.

Example: We will take the estimated premium (\$2,775) and divide this number by the estimated hours (1,500) and arrive at an average hourly rate of \$1.85.

To select the single classification that will apply to a construction project, we will compare the average hourly rate that we have computed to the rates of the classifications applicable to the project. We will select the classification whose hourly rate is the closest to the average hourly rate that we computed from the information you supplied us with.

Example: From the information you supplied, we have determined that the average hourly rate for this project is \$1.85. We also know that the rate for the plumbing classification (0306) is \$1.50 per hour and the rate for steel erection is \$2.55 per hour. We would assign classification 0306 as the single classification applicable to this project.

(6) How will I know what classification will apply to my construction project?

We will send you a written notice which will specify the basic classification and premium rate that will apply to this project.

(7) If I have asked for a single classification to cover one of my construction projects, am I required to use the single classification which you gave me?

No, but you should call your policy manager to verify what other classifications would apply to the project. The name and phone number of your policy manager can be found on your quarterly premium report or your annual rate notice. For your convenience you can call us at (360) 902-4817 and we will put you in contact with your assigned policy manager.

(8) I am a general construction or erection contractor, I subcontract all my work and have no employees of my own. Do I have to report to the department of Labor & Industries?

No, since you do not have employees, you do not need to report to the department of Labor & Industries. You should be aware that the workers' compensation insurance laws of Washington include certain independent contractors as workers. If we determine that an independent contractor that you used qualifies as a covered worker, you will be responsible for the premium due for their work time. You can also be held responsible for premiums due to Labor & Industries if you subcontract with an unregistered contractor and they fail to pay premiums on behalf of their employees. It is in your best interest to make sure that your subcontractors are registered contractors in good standing by confirming their status on the department's Web site or contacting your account manager.

(9) Am I required to keep any special records of subcontractors that I use?

Yes, you are required to keep certain information about the subcontractors that you use. The information required is:

- Subcontractor's legal name;
- Contractor registration number and expiration date;
- UBI number (or Labor & Industries account ID number).

If you supply materials to a subcontractor, also keep a record of the:

- Amount of material supplied;
- Project name or location;
- Date material was supplied; and
- Completion date of contracted work.

Failure to maintain these records may result in the subcontractor being considered a covered worker for whom you must report hours.

Appendix II : L&I Resources

Division of Occupational Safety and Health (DOSH)

Workplace Safety and Health Rules

The following list provides the WAC (Washington Administrative Code) reference for safety and health rules of specific interest to the wood-frame industry. These rules cover some of the most commonly cited serious hazards in the wood-frame industry.

Failure to follow these rules accounts for many of the violations frequently cited in the wood-frame industry, and they can result in citations and fines. More importantly, injuries are more likely to occur when employers and their workers do not follow these rules. You – the employer — may wish to review these rules and ensure that necessary precautions are taken. You can access the rules and other useful information on worksite safety by visiting the L&I Web site – www.Lni.wa.gov and click on safety.

Remember, accident prevention is the best way to control your workers' compensation premium costs.

296-155	Part A	General Safety & Health Provisions Housekeeping (155-020)
296-155	Part B-1	Occupational Health and Environmental Control Accident Prevention Program (155-110) Management's Responsibility (155-100) First Aid Training (155-120)
296-155	Part B-2	Hazardous Communication (155-180) (References WAC 296-800-170, Chemical Hazard Communication)
296-155	Part C	Personal Protective & Life Saving Equipment Eye and Face Protection (155-215) Head Protection (155-205)
296-155	Part C-1	Fall Restraint and Fall Arrest (155-245—24525)
296-155	Part E	Signaling and Flaggers Signaling and Flaggers (155-305) Barricades (155-310) Definitions (155-315)
296-155	Part F	Material Handling, Storage, Use and Disposal General Requirements for Storage (155-325) Qualified Person – Rigging (155-329) Rigging Equipment for Material Handling (155-330) Disposal of Waste Material (155-335) Tables F-1 to F-20 (155-34901 --- 34920)
296-155	Part G	Tools, Hand and Power (155-350—380)
296-155	Part I	Electrical General Requirements (155-444) Wiring Design & Protection (155-447) Wiring Methods & Components & Equipment for General Use (155-449)

296-155	Part J	Stairways (155-475, 476, 477)
296-155	Part K	Floor Openings, Wall Openings, & Stairways (155-500—515)
296-155	Part L	Cranes, Derricks, Hoists, Elevators, & Conveyors (155-525—570)
296-155	Part M	Motor Vehicles, Mechanized Equipment & Marine Operations Material Handling Equipment (155-615)
296-155	Part N	Excavation, Trenching, and Shoring (155-650—66411)
296-155	Part O	Concrete, Concrete Forms, Shoring and Masonry Construction (155-675—699)
296-155	Part S	Demolition (155-775—830)
296-62	Part I-1	Asbestos Communication of Hazards to Employees (62-07721)
296-874		Scaffolds (874-100—500)
296-876		Ladders, Portable and Fixed (876-100—900)

Workplace Safety and Health Consultations

The Department of Labor & Industries' Division of Occupational Safety and Health (DOSH) can provide your company with a free, confidential safety and health consultation. It is specifically designed to help you increase safety awareness, prevent accidents and manage workers' compensation costs.

Here's how it works: At your request, a safety and health consultant will come to your job site to help you identify any safety or health hazards or deficiencies you may have and to review your written safety and health program for compliance with the Washington Industrial Safety and Health Act (WISHA) and workplace safety and health regulations.

For more information, call the L&I office nearest you and ask to speak to the consultation supervisor or visit www.SafetyConsultants.Lni.wa.gov.

Risk Management Services

Risk Management Specialists from L&I will help individual employers or business/trade associations establish loss-control programs. These programs, tailored to specific industry needs, help employers prevent work-related injuries and occupational diseases and minimize industrial insurance claims costs. Risk Management staff also work with L&I's Employer Services section to help employers assess the appropriateness of their industrial insurance risk classifications. If you're interested in Risk Management Services, call 360-902-5790.

Note: L&I's Division of Occupational Safety and Health (DOSH) is the state equivalent of OSHA. In Washington State, DOSH – not OSHA – is responsible for workplace safety and health regulations.

Toll-Free Telephone Numbers

1-800-547-8367

Our hotline operators are available to answer general questions about claims or your industrial insurance account.

1-800-647-0982

Operators on the contractor registration information line can tell you if a contractor is currently registered, how long the contractor has been in business, whether there is pending action against a contractor's bond, and any previous actions.

1-800-423-7233

Use this information line when you have questions about safety and health issues, such as safety regulations, the workers' "right to know" hazardous materials requirements, or our voluntary safety consultation services.

1-800-831-5227 Claim information only

This number is our automated information system line accessible from touch-tone telephones. Listen for the category you wish to access.

To access claim information, you will need the claimant's claim number and Social Security number.

Department of Labor & Industries Field Service Locations

Labor & Industries operates local offices to serve your needs. If you have questions, call the office nearest you by checking under **Washington, State of**, in the government or white pages of your telephone directory or by checking www.Offices.Lni.wa.gov.

Region 1, Northwest Washington

Bellingham
Everett
Mount Vernon

Region 2, King County

Bellevue
Seattle
Tukwila

Region 3, Pierce County/ Peninsula

Bremerton
Port Angeles
Tacoma

Region 4, Southwest Washington

Aberdeen
Kelso
Tumwater
Vancouver

Region 5, Central Washington

East Wenatchee
Kennewick
Moses Lake
Yakima

Region 6, Eastern Washington

Colville
Pullman
Spokane

Appendix III

CONTRACTOR CROSS REFERENCE INDEX

Outlined below is a matrix illustrating each operational phase of a woodframe construction project and the risk classification that should be used when a contractor performs activities of a particular construction operation. (Note: the phases in this matrix correspond with the phases in the manual).

The intent of this matrix is to serve as a guide only, and generally applies in most instances. We do recommend that you consult with your account manager to confirm which classifications apply to your business.

OPERATION	0	0	0	0	0	0	0	0
	1	1	1	1	1	2	2	3
	0	0	0	0	0	1	1	0
	1	3	5	7	8	2	7	1
SITE PREPARATION								
• Logging:								
by contractor _____								
log machine operator _____	X							
log truck drivers _____								
• Blasting:								
by blasting contractor _____		X						
by excavation contractor _____	X							
• Building Demolition:								
by contractor _____								
• Land Clearing/Grading:								
by contractor _____	X							
debris removal by contractor _____	X							
debris removal by debris hauling contractor _____								
FOUNDATION AND FLATWORK								
• Locating Foundation:								
by foundation contractor _____							X	
by excavation contractor _____	X							
by general contractor _____								
• Excavation:	X							
by contractor _____								
debris removal by contractor _____	X							
debris removal by debris hauling contractor _____								
• Setting Foundation:								
concrete foundation by contractor _____							X	
brick or stone foundation by contractor _____								
reinforcing steel installation by contractor _____							X	
• Flatwork:								
concrete flatwork by contractor _____							X	
brick or stone flatwork by contractor _____								
• Foundation Waterproofing:								
excavation work _____	X							
application of waterproof material _____								

CLASSIFICATION

[illegible]

OPERATION

	0 1 0 1	0 1 0 3	0 1 0 5	0 1 0 7	0 1 0 8	0 2 1 2	0 2 1 7	0 3 0 1
FRAMING THE STRUCTURE								
by contractor _____								
UTILITY CONSTRUCTION								
• To the structure — Exterior work:								
overhead power line by contractor _____								
underground power line by contractor _____				X				
gas pipeline by contractor _____				X				
waterline by contractor _____				X				
well drilling by contractor _____		X						
side sewer by contractor _____								
septic tank by contractor _____					X			
• Within the structure — Interior work:								
Electrical								
electrical wiring by contractor _____								
alarm/intercom system by contractor _____								
telephone pre-wire by contractor _____								
CATV by contractor _____								
Heating/Ventilation								
furnace and duct work by contractor _____								
air conditioning by contractor _____								
central vacuum system by contractor _____								
Plumbing								
rough-in plumbing by contractor _____								
sink, shower, tub, etc. installation by contractor _____								
water heater by contractor _____								
water/sewer pipe by contractor _____								
ENCLOSING THE STRUCTURE								
• Roofing:								
by contractor _____								
• Gutter and Downspout:								
by contractor _____								
• Siding/Exterior Covering:								
wood or vinyl by contractor _____								
metal/aluminum by contractor _____								
brick by contractor _____								
plaster or stucco by contractor _____								
• Painting (Exterior):								
by contractor _____								
• Garage Doors:								
by contractor _____								
• Chimneys and Fireplaces:								
by contractor _____								
wood stove installation by contractor _____								
ornamental brick work by contractor _____								

CLASSIFICATION

[illegible]

OPERATION

0	0	0	0	0	0	0	0
1	1	1	1	1	2	2	3
0	0	0	0	0	1	1	0
1	3	5	7	8	2	7	1

INTERIOR FINISH WORK

- Insulation
by contractor _____
- Walls and Ceilings:
 - wallboard installation including scrapping (discounted rate) _____
 - wallboard installation including scrapping (non-discounted rate) _____
 - wallboard taping, including priming & texturing (discounted rate) _____
 - wallboard taping, including priming & texturing (non-discounted rate) _____
 - plastering or stuccoing by contractor _____
 - painting by contractor _____
 - wallpapering by contractor _____
 - wood paneling by contractor _____
 - metal walls (non-structural) by contractor _____
 - suspended grid ceiling by contractor _____
 - blinds, shades, draperies by contractor _____
- Interior Trim:
 - cabinet installation by contractor _____
 - interior doors and frames by contractor _____
 - wood stair railings by contractor _____
 - wood moldings by contractor _____
 - countertop installation
 - by floor-covering or counter covering contractor - on site, flat-lay _____
 - by cabinet contractor _____
 - by specialty contractor - pre-formed _____
- Floors
 - hardwood by contractor _____
 - carpet, vinyl, tile, parquet, mosaic, terrazzo by contractor _____
 - brick, stone by contractor _____

FINISHING THE SITE

- Landscaping:
 - by contractor _____
- Fences:
 - wood or metal by contractor _____
 - brick or stone by contractor _____
 - concrete by contractor _____
- Decks and Patios, Swimming Pools, Exterior Lighting:
 - wood decks and patios by general contractor _____
 - concrete decks and patios by contractor _____
 - brick or stone decks and patios by contractor _____
 - concrete pools by contractor (excluding excavation) _____
 - plastic liner pools (no cement) by contractor _____
 - hot tubs or saunas by contractor _____
 - exterior lighting by contractor _____

CLASSIFICATION

[illegible]

OPERATION

0	0	0	0	0	0	0	0
1	1	1	1	1	2	2	3
0	0	0	0	0	1	1	0
1	3	5	7	8	2	7	1

<ul style="list-style-type: none"> Debris Removal: removal of material by contractor is applicable to the phase of construction being supported by contractor's cleanup crew _____ Preoccupancy Cleanup: janitorial cleanup by contractor not involved in any previous phase of the construction project or debris removal process _____ Removal of debris by a debris removal contractor _____ 							
MISCELLANEOUS OPERATIONS							
<ul style="list-style-type: none"> Temporary Barriers, Facilities, Scaffolding and Hoists: by general contractor _____ by a speciality contractor - class applicable to the specialty contractor _____ 							
<ul style="list-style-type: none"> Draining (Dewatering): by foundation contractor _____ by specialty contractor _____ 						X	
<ul style="list-style-type: none"> Permanent Yard or Shop: by contractor _____ 							

CLASSIFICATION

0 3 0 2	0 3 0 6	0 3 0 7	0 5 0 2	0 5 0 4	0 5 0 7	0 5 0 9	0 5 1 0	0 5 1 1	0 5 1 2	0 5 1 3	0 5 1 4	0 5 1 6	0 5 1 9	0 6 0 1	0 6 0 7	0 6 0 8	4 3 0 5	5 0 0 1	5 0 0 3	5 2 0 6	6 6 0 2
																					X
																	X				
							X														
	X																				
																				X	

*Other formats for persons with disabilities are available on request. Call 1-800-547-8367. TDD users, call 360-902-5797.
L&I is an equal opportunity employer.*

